Department of Finance

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Release of *The Fiscal Monitor*

The Honourable Jim Flaherty, Minister of Finance, today released *The Fiscal Monitor* for July 2007.

Highlights

July 2007: budgetary surplus of $1.4 billion

There was a budgetary surplus of $1.4 billion in July 2007, up $0.6 billion from the $0.8-billion surplus recorded in July 2006. Budgetary revenues were up $1.0 billion or 5.2 per cent from July 2006, reflecting strong gains in corporate income tax revenues. Program expenses increased by $0.5 billion, or 3.3 per cent, due to higher transfer payments and departmental operating expenses. Public debt charges were $0.1 billion lower.

April to July 2007: budgetary surplus of $7.8 billion

For the first four months of the 2007–08 fiscal year, the budgetary surplus is estimated at $7.8 billion, up $1.0 billion from the $6.7-billion surplus reported in the same period last year. One-third of the surplus reflects growth in corporate income tax collections (up 25 per cent through July), which are highly variable on a monthly basis. Budgetary revenues increased by $4.9 billion or 6.5 per cent over last year, driven by both higher income tax revenues and non-tax revenues. Program expenses rose $3.7 billion, or 6.4 per cent, reflecting increases in transfer payments and operating expenses of departments and agencies, including National Defence. Public debt charges increased by $0.1 billion, or 1.2 per cent.

The Fiscal Monitor is a monthly document that provides highlights of the federal government's fiscal performance, including monthly revenues, expenses, the budgetary balance and the financial source/requirement.

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